

[4 August, 2000]

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and Ilmenite, which are processed further for the production of Titanium Sponge/Dioxide. The technology for production of Titanium Sponge has been developed by DMRL, Hyderabad. The Department of Atomic Energy has been considering setting up a plant for the production of Titanium Sponge (and Zirconium Oxide) with participation by Ministry of Defence and Department of Space. At present the economic viability of the use of Zirconium Oxide/Titanium Sponge to be produced in the proposed plant is being examined.

Reform in the Mines Sector

1508. SHRI VIJAY J. DARDA: Will the Minister of MINES be pleased to state:

- (a) what are the major ongoing projects in the mining sector and the order of investment proposed thereon, projectwise;
- (b) whether Government have initiated reform process in Mines sector to attract foreign direct Investment;
- (c) if so, the details thereof;
- (d) the details of private sector and foreign direct investment proposals received and cleared during the recent past and the estimates of fresh investment committed; and
- (e) the details of fresh FDI proposals received and under consideration, Statewise?

THE MINISTER OF YOUTH AFFAIRS, SPORTS AND MINES (SHRI SUKHDEV SINGH DHINDSA): (a) In the public sector, the National Aluminium Company Limited (NALCO) has undertaken the expansion of the capacity of Bauxite Mines from 2.4 Million Tonnes Per year (MTPY) to 4.8 MTPY and that of Alumina Refinery from 0.8 MTPY to 1.575 MTPY at Damanjodi at an investment of Rs. 1664.60 crores. NALCO has also undertaken the expansion of capacity of Aluminium Smelter from the existing 2,30,000 Tonnes Per year (TPY) to 3,45,000 TPY and that Captive Power Plant from 720 MW to 840 MW at Angul for an investment of Rs. 2062 crores. Bharat Aluminium Company Limited, also in the public sector, has undertaken the installation

of a New Cold Rolling Mill with a capacity of 40000 TPY alongwith associated facilities at Korba Aluminium Complex at an investment of Rs. 157.50 crores.

(b) to (e) The Government allows foreign equity holding upto 100%, on the automatic route for all minerals (except diamonds and precious stones). This covers exploration, mining, mineral processing and metallurgy. In the case of diamonds and precious stones, foreign equity upto 74% is allowed on the automatic route for both exploration and mining operations. For proposals seeking higher than 74% foreign equity, the cases go to the Foreign Investment Promotion Board (FIPB) for approval. The Mines & Minerals [Development & Regulation] Act, 1957 has also been suitably amended and further powers have been delegated to the State Governments. These recent changes in the Act are expected to streamline the procedure for obtaining mineral concessions from the State Governments. They also provide adequate security of tenure to the investors. It is expected that these policy changes will lead to a faster growth and development of the Indian mineral sector, and also application of world class mining technology.

The FIPB, in consultation with the Ministry of Mines, has so far approved 65 proposals of Foreign Direct Investment in the mining sector. The likely investment in these cases will be about Rs. 3650 crores. Most of these proposals speak only about their investment plans and do not specify the area where they would like to operate. It is not mandatory for an applicant company to specify the area-State where they would like to operate. The approval granted by FIPB is only for foreign equity participation in a Company incorporated in India. After obtaining FIPB approval these companies are required to apply to the concerned State Government, which are the owners of minerals in their respective territorial jurisdictions, for mineral concessions. Before granting the mineral concessions, State Governments need the prior approval of the Central Government only in respect of minerals in the First Schedule of the Mines & Minerals [Development & Regulation] Act, 1957. The Central Government does not keep data of mineral concessions granted by State Governments.